Toward a Comprehensive Performance Compensation Model:

Central Administrative Compensation at Hillsborough Township Public Schools



A Report to the Board of Education

for Hillsborough Township Public Schools

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July 15, 2010

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**Toward a Comprehensive Performance Compensation Model:**

**Central Administrative Compensation at Hillsborough Township Public Schools**

***Introduction***

Hillsborough Township Public Schools is to be commended for taking on the issue of changing its compensation structure for its central administration. As public schools are “human” driven organizations, where if a program or service is done some person is hired to do it, compensation should be a central part of the strategic planning and execution for every school organization. Unfortunately, this is not the norm in most public school systems in the United States. It is far more common that schools continue using compensation strategies nearly a century old, instead of thinking strategically about how they can allocate what is the single largest expense any school district has through a coherent and intentional human capital system.

For Hillsborough, the scope of adopting a performance pay system is focused on its central administration. This includes the Superintendent, the Assistant Superintendent for Curriculum & Instruction, the Assistant Superintendent of Human Resources, and the Business Administrator. With the pending hire of a new Superintendent, the district should also considering applying a model of performance-based pay for that position, though this will certainly be subject to contract negotiations with that individual.

The purpose of this report is to provide the Board of Education with the comprehensive analysis conducted of Hillsborough’s values, assessment systems, evaluation systems, professional development systems, and market comparability. Further, this report will outline a plan that the district can use as a model in the 2010-11 school year for how performance pay might work.

This report was written after several meetings with district staff, the district Personnel Committee, phone calls with select Board members, and a review of several of the district’s key accountability and human capital systems. This process was documented using a “wiki” website, which members of the Personnel Committee and the central administration had access.

It should be the intention that when school finance money returns to Hillsborough at some point in the future, some part of this money will be allocated to central administrators in manners that relate to performance and not on more arbitrary (and traditional) methods of determining pay.

***Values***

Hillsborough Township Public Schools has exceptional central administrative team who is dedicated and passionate about the district and its future. In an effort to compensate these valued staff appropriately, to incentivize even greater performance from this staff, and to provide a clear rationale to the public for any increases in pay for these high level employees, Hillsborough wishes to implement a performance-based system of compensation for these employees.

There are a number of values Hillsborough wishes this performance pay system to embody. First and foremost the system should be fair, transparent, and understandable to the affected employees and the community. The system should document and clarify the expectations of the community for the district and the staff. It should welcome and stand up to public inquiry and scrutiny. The system should be in line with the Board’s Strategic Plan (see Appendix A) for the district and reward progress toward and the fulfillment of this Plan.

The system should be sensitive to the market for educational leaders and support both the retention of the district’s current talent and allow the district to effectively recruit for any openings through offering significant rewards for truly exceptional performance.

Performance pay in Hillsborough should rely on multiple measures to determine performance. Included prominently in these measures should be those related to student achievement. Also included in these measures should be individualized performance assessments and lofty, but achievable, individualized goals for each administrator. Systems that measure performance will be significantly evaluated and improved through this process.

The system of performance pay in Hillsborough should enhance the prestige of the district and be something the organization and the community is proud of. To accomplish this, the system should be adaptive and growing. It should be able to change over time as new ideas and new priorities emerge. It should also be rigorous and challenging for employees, have integrity, clarity expectations of what is being measured, and be individualized to the employees.

Finally, this system will encourage significant individual professional growth among the administration. Through systemic self-reflection and meaningful, honest, and authentic conversations about performance the administration will aspire to and achieve significant successes and ultimately build on the successful traditions and past of this school district while growing world class schools for this very special community.

***Student Assessments***

As student assessment is to be a primary component of the compensation system for Hillsborough’s administrators, it is critical that a review of the existing structures for how student achievement data is used and changes made that allow the data to be utilized in valid, reliable, and appropriate ways. The purpose of this review is not to re-state or make judgments on the academic achievement results from Hillsborough. Rather, it is to evaluate the assessment system itself and make recommendations for how it could be improved and made more useful in both an instructional and an evaluative sense.

Hillsborough currently uses a suite of student assessments based primarily on those required by the state of New Jersey, and federal “No Child Left Behind” requirements. At the core of these assessments are the NJASK tests which are administered in core content areas in grades 3-8. Supplementing this base is the HSPA assessment for 11th graders, college entrance exams like AP and SAT, “End of Course” assessments in Biology and Algebra, English Language Proficiency assessments, and alternative assessments for students with significant disabilities. Occasionally and when selected, the district also participates in NAEP testing.

Analysis of assessment data is primarily conducted at the central administration level, and typically by the Assistant Superintendent of Curriculum & Instruction. The analysis method is “attainment” based, looking at the number and percentage of students attaining proficient or higher levels in a given year. Often, this attainment approach is coupled with a “cohort” analysis where one group of students is compared to the same grade of students from a previous year or the scores of the same cohort from the previous grade.

Because the district uses national college entrance exams, it is able to compare participation rates and aggregate scores to state and national averages as a sort of capstone comparison. Further, when the district is selected to participate in NAEP testing (which it frequently is) even greater state and national comparison data is available.

Hillsborough’s student assessment systems and analysis techniques are “industry standard” in education and very typically represent how most districts use achievement data. In this sense, there is nothing wrong with Hillsborough’s approach to student achievement data. However, if this data is to be used in a compensation system, a significantly more sophisticated approach must be adopted.

Suggested changes for Hillsborough’s assessment system are detailed below:

1. **Adopt a longitudinal data analysis method.** Simple attainment based methods (such as looking at the percentage of students who are proficient and advanced) have some uses in that they are easily understandable and can help the district identify the most glaring problem areas. However, in order to more fully understand if students are reaching their expected potential and to more effectively control for demographic, socio-economic, disability, and second language acquisition effects (all of which have tremendous influence on attainment based analysis methods) a longitudinal method must be employed. The most effective longitudinal analysis method currently available (in the opinion of this consultant) is the value-added approach, based on the foundational work of Dr. William Sanders. There are several companies and individuals conducting value-added analysis the district might choose from, not the least of which is Dr. Sanders himself with SAS/EVAAS who invented the method in Tennessee decades ago.

Put simply, moving to a value-added look at student assessment data will be the single most powerful change the district could make in terms of student assessment. Not only would this be a much more appropriate and accurate way of looking at student data for a compensation system, it would allow the district to identify the most effective staff members in core content areas and make the most of the district’s human capital. The value-added approach can be extremely informative in determining who should be teaching what and also what areas professional development or other supports are necessary.

I have put the district in contact with three companies that can provide value-added results using Hillsborough’s existing student data. Battelle for Kids is a national non-profit in Ohio, specializing in the value-added method. Battelle would not only provide the value-added results, but also significant and “at the shoulder” support and training for teachers and administrators. Battelle should be considered a top notch option for the district, however there is a significant price that would accompany the significant expertise and technical support Battelle would provide. This would be a tremendous positive change for Hillsborough to partner with Battelle.

Another option is to use a value-added analytic company directly, like SAS/EVAAS in North Carolina. For a much reduced price versus that of Battelle, SAS/EVAAS can take the existing data Hillsborough has and provide detailed value-added analysis at the student, teacher, and building level for the district. While this option is not accompanied with the level of support and training Battelle would provide, it would allow the district access to these results for a reasonable price, with the analysis conducted by the pioneers in this method.

Yet a third option is to go with a smaller company like The Teaching Doctors, in California. The Teaching Doctors could probably provide Hillsborough the most reasonable pricing structure and they are well suited for dealing with a district of Hillsborough’s size. In addition, The Teaching Doctors provides a powerful online access system for the district’s value-added data and can provide significant expertise in how the district can maximize its teaching workforce so that teachers are working in their “strength” areas.

1. **Adopt predictive “benchmark” and progress monitoring assessments in grades 3-11.** Monthly benchmark tests can be used to give the district a quick snapshot of its current progress toward meeting state standards. For the classroom teacher, these assessments can be used to identify those students not making progress and where they need help. This system can also be of tremendous help in determining the level of interventions provided through a “Response to Intervention,” or RTI, approach to instructional delivery. Several companies provide these systems to districts. For grades 3-8 I recommend AIMSWeb, or CTB McGraw-Hill’s Acuity system is a great option for grades 3-12. Another option is Pearson’s Learnia, which the state has provided free to districts in the past and Hillsborough has some experience with (although I understand this experience was not altogether positive). As with the value-added changes, these systems would need to come with a comprehensive professional development approach for teachers in the field to make the most use of this tremendous data for instruction.
2. **Fill in the 9 – 10 “hole.”** Students currently take the last NJASK in the 8th grade and then take their next large scale standardized test in the form of college entrance exams in the 11th grade. Some assessments should be added in these years to allow for further value-added analysis into high school and to be predictive of successful achievement on the 11th grade college entrance exams. Several assessments could be used here such as the Terra Nova, which the district has previous experience with. A suggestion might be the NWEA-MAP test as it is a computer adaptive assessment and is able to provide a valid score with minimal disruption to instructional time. Alternatively, if the district developed or purchased valid and reliable end-of-course exams for core content areas in these grades that would suffice as well.
3. **Create or purchase access to a “data warehouse” where all assessment data is available to the instructional staff.** Teachers need unfettered and up-to-date access to all the assessment data available on their students. Several online options now exist for housing this data in secure, encrypted, and password protected environments that allow teachers and principals tremendous ability to design, customize, and drill down into the reports that are meaningful to them in making instructional decisions.

For assessment data to be used appropriately in a performance-based compensation system, it must feature a longitudinal approach to data analysis. While not perfect, this method takes into account bias, error, and student characteristic effects that can easily cloud an attainment based approach in ways far more sophisticated than anything else that has been developed. Further, the predictive benchmark and progress monitoring assessments should be added for intervention purposes and the assessment system must be configured to allow for “vertical” alignment from grade to grade without interruption. Finally, the data should be provided to staff in a transparent and easy to use and understand model.

***Evaluations***

Hillsborough currently uses an evaluation system for its central administration based substantially on the job elements of each respective position in the job description. Each element is rated based on a scale of “Successful” or “Needs Improvement” with a “Not Applicable” option. In addition to the ratings on the job description elements, the Hillsborough evaluation system also contains areas for qualitative written statements on “Commendations” and “Recommendations” with a final section detailing work attendance and reasons/frequency of missed work.

In many ways, the Hillsborough system is, again, industry standard for central administration evaluation. That is, if one walked into nearly every public school system in the United States, you would expect to find an evaluation system very similar to this approach. However, if Hillsborough is to move toward a performance-based system for compensation, significant changes are necessary for the district’s evaluation system.

Evaluations are inherently subjective measures and rely on the honest and professional judgment of a supervisor to make a fair assessment of performance. However, just because there is a subjective component to these measures, this does not mean that they are without meaning and value and that they are not critical measurement tools in determining effectiveness. In fact, the subjective appraisal of the Superintendent (in the case of evaluations of the central administration) or the Board of Education (in the case of evaluating the Superintendent) is perhaps the most valuable and meaningful data available on any of these employees.

With some very do-able work on the evaluation system in Hillsborough, the district can adopt an evaluation system that both challenges the central administration to truly achieve excellence, and provides meaningful and honest feedback to help them on their journey to that point.

Suggested changes to the evaluation system are detailed below.

1. **Consider the fundamental and key functions (mostly from the district’s Strategic Plan) for the position and evaluate on them.** Currently the evaluation system lists off a number of duties and responsibilities for each administrator and evaluates on them individually. Consider changing to an approach where the core functions of the position are evaluated instead of the individual parts. The district’s “Strategic Plan” already provides the basic structure and wording for this change. Taking the Assistant Superintendent for Personnel as an example, consider evaluating on these sample core components:
   * Enhance multiculturalism (from the Governance area of the Strategic Plan)
   * Engage local community as partners (from the Governance area of the Strategic Plan)
   * Hire qualified individuals (from the Personnel area of the Strategic Plan)
   * Retain qualified individuals (from the Personnel area of the Strategic Plan)
   * Cultivate a staff of skilled communicators (from the Personnel area of the Strategic Plan)
   * Promote instructional expertise (from the Personnel area of the Strategic Plan)
   * Provide universal access to technology (from the Personnel area of the Strategic Plan)

This change brings the Strategic Plan “to life” through the work and efforts of the central administration. Through an alignment with evaluation, no longer is it a stand-alone document or exercise that, once developed, gets little meaningful attention.

1. **Consider evaluating core functions of leadership in addition to core position functions.**

There are a number of key responsibilities district leaders must perform if the organization is to truly be effective. Examples of these are:

* Dependability/Reliability
* Customer Service
* Organizational Citizenship/Teamwork
* Ongoing Professional Learning

These items are merely provided as a starting point, or a suggestion for key additional leadership functions to evaluate. The district should consider developing its own along these lines.

1. **Develop a rubric for each measured element that allows for several different possible levels of performance.** There are many shades of gray in performance above, between, and below “Successful” and “Needs Improvement.” Consider developing a rubric for each evaluation element that reflects these different levels. The culture in the district will need to evolve to where everyone understands that truly elite performance is difficult to achieve and maintain, though certainly not impossible. For example:
   * Exceptional – truly elite and rare performance.
   * High Performing – consistently exceeding expectations, going above and beyond.
   * Professional – meeting performance expectations. Satisfactory, fully competent.
   * Needs Improvement – concerns are evident and correction necessary.
   * Unacceptable – serious issues. Termination possible or even probable.
2. **Develop annual reliability trainings on the evaluation tool for both the evaluators and the evaluatees.** This is an opportunity for everyone to review the expectations of the organization and to generate consideration for how improvement can occur. Discussions about what “professional” versus “needs improvement” performance look like improve the reliability (consistency) of the instrument.
3. **Create a process where the evaluation instrument is continually reviewed and improved.** Whatever system the district adopts is likely to be flawed. These flaws are mitigated over time and the organization’s capacity about what great performance really looks like grows if there are ongoing conversations and processes about how the evaluation system can learn and change for the better.
4. **Provide a self-reflective component.** Improve the capacity of Administrators to improve by formalizing their self-reflection through the evaluation system. This self-reflection should not be considered part of the scoring, but may help inform the supervisor.
5. **Provide some level of oversight and accountability.** An independent third party or group should review the evaluation process and scores to prevent abuses or rampant inflation. In Hillsborough’s case, the Board of Education may serve this purpose for the Superintendent’s reviews of central administration and the individual Board members should serve this purpose between each other in the case of their review of the Superintendent (this may require a policy change). They should not be scoring or making actual employee performance determinations for the central administration, but rather providing accountability for the Superintendent in making sure he/she is following the evaluation process with integrity. To restate for emphasis, the Superintendent should be evaluating the central administration, but the Board should provide oversight for integrity in that process. For the Superintendent evaluation, the board members should act as “checks and balances” with each other in insuring the evaluation system is used with integrity.
6. **The evaluation should feed into a systemic process for professional growth.** A quality and honest evaluation system will reveal areas for improvement for all employees. The evaluation system should also allow the evaluator to develop plans for improvement with the evaluatee that directly address weakness areas identified through the process. If no weaknesses are identified, then the evaluation system is not critical or forward thinking enough – everyone has something on which they can improve and the needs of the organization are constantly in flux.
7. **Use multiple and outside sources of data to inform the evaluation.** Key performance indicators should be reviewed by the evaluator and taken into account for the evaluation. Items like student achievement results, teacher attrition rates, accounting process management, and other quantitative elements may be used along with other qualitative elements like newspaper articles, public presentations, notes, Board relations, personal interactions, interviews, etc. As with any qualitative review of data, care should be taken to consider if any item used in the evaluation process is authentic (real), credible (has the perspective from which to provide accurate and meaningful information), and trustworthy (has no motive or intent to mislead).
8. **Allow for due process in the evaluation.** The employee should be allowed to present their own information in the official file should they disagree with the scoring and rationale of the evaluator. However, the evaluator’s professional judgment must be the final determiner. The district should develop some reasonable and time efficient due process system for handling problems with the evaluation system.

For use in a performance-based pay system, the evaluation will need to generate some kind of numeric score that is a general measure of the employee’s performance. The system should be designed where professional (competent) evaluation scores earn basic and reasonable wages. Higher levels of performance should provide increasingly significant rewards for increasingly exceptional performance and lesser levels of performance just the opposite.

A sample evaluation tool is presented for your convenience in Appendix B for the Assistant Superintendent for Personnel. Another version is provided in Appendix C for the Superintendent.

***Professional Development Systems***

An honest and quality individual evaluation system will reveal areas where administrators can improve. Further, if these evaluation systems are linked to an evolving and changing strategic plan, it is likely that administrators will need to acquire new skills in order to perform well and advance the goals of the organization. Creating a coherent and individualized professional development plan for every administrator that is aligned with the components of their evaluation and the strategic plan is a critical component of a holistic system.

Currently, the district allocates funds for professional development for administrators and restricts their use to either a set dollar figure, or makes a stipulation for one state and one national conference.

The district also provides significant support for higher education credits for its administration. The district offers $571 per credit hour in tuition support that must be repaid to the district if the employee leaves the district within one year of receipt of the degree. Further, the district offers a salary increase to administrators of $2,000 for every 15 credits completed and an additional $2,500 when an employee complete their Doctorate. Course work must currently be approved by the Superintendent, though this responsibility may be delegated by the Superintendent.

Suggested changes to the Professional Development System are identified here:

1. **Individualized and Targeted Professional Development.** I would argue for a complete overhaul of the district’s current approach. Beginning early in the school-year or in the summer, the Superintendent should sit down with each central administrator (or the Board sit down with the Superintendent in that case) and discuss the district’s strategic plan and the employee’s individual strategies to meet the goals relevant to their area on that strategic plan. Professional development should be directly targeted toward meeting these strategic ends. The decision about which conferences to attend, or what other ways knowledge, skills, and abilities can be obtained should occur in the context of how they can help the employee advance the goals of the organization. A process for implementing and individualized professional development plan for central administrators as part of the evaluation cycle is included in Appendix B and in Appendix C.
2. **Discontinue the tuition reimbursement program**. The district is spending thousands of dollars for courses and fees that have absolutely no association with the district’s strategic direction or needs. Shift this money directly into salaries available for administrators and distribute it based on performance, or use it strategically for advanced degree credits that have relevance and alignment with the district’s strategic needs. Note that I am not making an argument that the district stop incentivizing advanced coursework altogether. Rather, that the district should view advanced coursework through a lens of utility to the district and its strategic purpose, then make an individualized decision about incentivizing or paying for advanced coursework. As getting an advanced degree is frequently a mark of pedigree that comes with limited actual increase in knowledge, skill, or ability.
3. **Discontinue “lock-step” payment of additional salary dollars for education credits or attainment of advanced degrees.**  Educational credits or the attainment of an advanced degree is, in most cases, unrelated to the success of the organization. These courses and degrees are only of value to the organization if they actually empower the employee with skills, knowledge, and abilities that has an impact on the organization’s success. Consider shifting this money into compensation for administrators based on performance and results and not on the completion of courses or conference of degrees. Should the district wish to make some reward for completion of an advanced degree that has been determined to be of strategic value to the organization, it could be recognized and awarded through identifying it as an individual specific goal in the annual evaluation process (see Appendices B and C).

***Market Comparability***

Hillsborough Township Public Schools wishes to be a market competitive employer for top talent in its central leadership. As such, an analysis was conducted comparing the salaries of Hillsborough’s central administration with the rest of the state, several comparison districts provided by Hillsborough’s leadership.

**Methods**

Data was provided from the state government of New Jersey on salaries for its 1,328 public school administrators. Included in this data were salaries on Superintendents, Assistant Superintendents of Curriculum & Instruction, Assistant Superintendents of Finance, Business Administrators, and Assistant Superintendents in areas other than Business (Human Resources, or Assessment for example).

The data set also included several variables useful in designing an analysis of pay levels in NJ. As the state is an example of a very traditional model of educator compensation, educational degrees and years of experience are expected to be primary explanatory variables in the analysis. As also might be expected as another key explanatory variable in any school district’s pay levels for central leadership, a measure of enrollment is also included. Other important variables contained in the data are titles, district factor groupings, and the names of the school districts where these central administrators are employed.

To conduct this analysis, I recoded several variables as follows:

* Education Level: 0=No Degree, 1=BA, 2=MA, 3=Doctorate
* District Factor Groupings: Dummy variable 1= Meets Criteria, 0=Not
  + Grouped into A, B, CD, DE, FG, GH, I and J.
* Enrollment Group: Ordinal variable coded 1-7, with increasing size.
* Superintendent: Dummy variable 1=Meets Criteria, 0=Not
* Asst. Superintendent for Curric. & Inst: Dummy variable 1=Meets Criteria, 0=Not
* Asst. Superintendent for Finance: Dummy variable 1=Meets Criteria, 0=Not
* Asst. Superintendent, Not Business: Dummy variable 1=Meets Criteria, 0=Not
* Business Administrator: Dummy variable 1=Meets Criteria, 0=Not
* Hillsborough Township: Dummy variable 1=Meets Criteria, 0=Not
* Comparison District: Dummy variable 1=Meets Criteria, 0=Not
  + Comparison districts included Bridgewater Regional, Cherry Hill Township, East Brunswick Township, Hopewell Township, Hunterdon Central Regional, Montgomery Township, Princeton Regional, and South Brunswick Township.

For this analysis, I ran an ordinary least squares regression, attempting to predict salary using the following statistical model:

Salary = α + Degree + Experience/District + Experience/NJ + Experience/Total + Enrollment Group + District Factor Group (Dummy Variables/J Group intentionally omitted) + Comparison District + Hillsborough + Asst. Supt./Curric & Inst + Asst. Supt./Not Business + Asst. Supt./Finance + Business Administrator + Superintendent (intentionally omitted) + error.

In layman’s terms, this method attempts to predict salary using all the items contained in the statistical model. The Greek letter “α” refers to the “constant” or “intercept” and is a prediction of what salary would be if all the other variables in the model were at zero and an administrator were a Superintendent. The “Superintendent” variable is intentionally omitted from the analysis. This is necessary using “dummy variables” and allows me to predict the change in salary from being a Superintendent to being a Business Administrator, for example. The “error” component of the model simply acknowledges that random or non-random variation exists in these estimates that may not be captured with the data available.

One limitation to this study is that it only looks at “base pay” for these administrators. Any variable pay or items such as use of vehicles or paid for housing is not taken into account. These sorts of “perks” are common in Superintendent contracts but much less so in other school administrators.

**Results**

The following table presents the results of the ordinary least squares regression using the model outlined above:

Table on following page.

|  |  |  |  |
| --- | --- | --- | --- |
| Regression Analysis of NJ School Administration Salary | | | |
| *Variable* | | ***Coefficient*** | ***St. Error*** |
| Constant/Intercept | | $98,549.53\*\* | $5,205.16 |
| Degree | | $6,239.58\*\* | $1,331.63 |
| Exp. District | | $429.85\*\* | $86.77 |
| Exp. NJ | | $29.94 | $138.34 |
| Exp. Total | | $421.60\*\* | 143.13 |
| Enrollment Group | | $9,551.60\*\* | $391.54 |
| DFG A (difference from J) | | -$20,590.94\*\* | $4,152.27 |
| DFG B (difference from J) | | -$21,085.24\*\* | $4,044.18 |
| DFG CD (difference from J) | | -$25,924.94\*\* | $4,068.01 |
| DFG DE (difference from J) | | -$19,148.85\*\* | $3,962.93 |
| DFG FG (difference from J) | | -$19,680.63\*\* | $3,889.82 |
| DFG GH (difference from J) | | -$11,171.82\*\* | $3,898.59 |
| DFG I (difference from J) | | -$7,491.98\* | $3,793.02 |
| Identified Comparison District | | $3,996.85 | $5,108.86 |
| Hillsborough | | -$9,954.08 | $11,930.42 |
| Asst. Supt C&I (diff. from Supt) | | -$27,410.50\*\* | $3,383.04 |
| Asst. Supt Finance (diff. from Supt) | | -$24,623.31\*\* | $5,527.77 |
| Asst. Supt Not Business (diff. from Supt) | | -$29,699.17\*\* | $2,615.53 |
| Business Administrator (diff. from Supt) | | -$31,415.75\*\* | $2,248.65 |
| n=1,119 | **R-Squared=.62 Prob > F=0.000** | | **\*=p<.05 \*\* = *p* < .001** |

The data used for this model had 1,119 remaining observations with complete information and yielded an F statistic of 98.18, which is statistically significant at the p<.001 level. An F statistic at this level can be interpreted to mean that we can be fairly certain this statistical model yielded results significantly different from “null” or “no effect.” Basically, it means the statistical model is of high quality. More clearly, the entire model is predictive of “salary.” The model also produced an R-Squared result of .62 which can be interpreted to mean that 62% of the variance in administrator salaries is explained by this model. 62% of variance explained is very high for social science statistical models and is considered a further sign of the quality of the statistical model.

The “Constant/Intercept” result of $98,959.53 is an estimated salary for a Superintendent in NJ if all the other variables in the model were at “zero.” Adding progressing levels of degrees and experience add to this base level. For example, a Superintendent with Doctorate and 20 years of experience in a district and 40 years total experience could expect to add $18,717 annually in salary ($6,239.58 x 3) for the advanced degrees he/she holds, another $12,441 for the experience in district ($429.85 x 20), and another $16,864 for their total experience ($421.60x40).

Thus, using the statistically significant variables in this model we could predict that a Superintendent with a doctorate, 20 years of experience in a district, 40 years total experience, and working in a J district of the largest size could expect to receive an estimated salary of $213,435. This example is explained below:

$98,549 (base) + $18,717 (doctorate) + $12,441 (exp. dist.) + $16,864 (exp. tot.) + $66,864 (large district) + $0 (DFG J) = $213,435.

This amount would, of course, be reduced for less education, less experience, working in smaller and/or less affluent districts, and not being a Superintendent. It should also be noted that individual districts negotiate individual contracts. It is very possible that unique characteristics of candidates and districts play a factor in compensation decisions that are not captured in this statistical model.

The results for increasing advanced degrees and experience are expected. As the results for the variables “Enrollment Group” and “District Factor Group” are positive and significant, this means working in relatively larger and more affluent districts tends to yield higher salaries. The negative results for the Assistant Superintendent positions and Business Administrator can be interpreted to mean that these positions make statistically significantly less than Superintendents.

Besides Experience in New Jersey, two key variables in this model are not statistically significant: Comparison Districts and Hillsborough. We can interpret this to mean that, statistically controlling for all the other variables in the model, the comparison districts are not significantly different than the rest of the state and that Hillsborough is also not statistically different than the rest of the state. A simple t-test of means between salaries in Hillsborough and salaries in the comparison districts also yielded statistically insignificant results.

**Analysis**

Controlling for key explanatory variables, Hillsborough’s pay for its central administration is market competitive. Simply looking at average salaries, or even salaries within specific types of employee, can be misleading unless other key explanatory variables (such as experience) are taken into account.

For example, the average number of years of total experience in Hillsborough is 13.25 compared to 21.9 in other districts in the state and 24.9 in the identified comparison districts. From this, I would infer that Hillsborough’s staff is relatively younger in their careers than their peer administrators in other districts and since Hillsborough’s approach to administrator compensation has been (to this point) fairly traditional their pay is in line with their experience.

When considering compensation levels for employees, it is important to consider both the “internal” and “external” labor markets. In the case of Hillsborough, the base compensation levels seem adequate given the statistical controls in the model presented here. However, it is important that these employees be provided opportunities to advance their compensation within the district (internal labor market considerations). Further, an eye should always be held on what competitors and other outside options might exist for these employees as they may choose to leave Hillsborough for outside competitors (external labor market considerations).

It should also be noted that just because other districts seem to pay mostly based on experience and advanced degrees, Hillsborough need not follow this model in its design of a pay for performance model for its administrators. In fact, it gives Hillsborough a competitive advantage to not follow the same compensation structure as its competitors. As the districts administrators acquire more experience and education credentials, there will be more and more outside temptation for them to leave the district for better opportunities. If the district considers these employees of high value, considers their talents vitally important, and wishes to retain them in the future – then their compensation levels must be arrayed in a way that acknowledges this level of performance and keeps the forces of the external labor market at bay. Alternatively, if these employees are not considered high quality (and the district does not wish to have the confrontation of a dismissal), then a performance-based system will slow their wages within the district to the point where outside options seem much more attractive to the employee. More simply, changing the approach to central administration to one based on performance, rather than experience and degrees, allows the district to be more strategic and reactive to internal and external labor market forces than using an approach based on experience and education. This ability to differentiate compensation based on performance is a critically important tool given the high level of tenure restrictions New Jersey operates with.

Thus, it is recommended that the district set competitive base wages for central administrative positions so that it can attract top talent. Then, (taking the key outside metrics of experience and education level into consideration) create salary advancement systems that will increase wages for high performing employees faster than the external market does and slowing (or stopping) the rate of advancement for poorer performing employees.

Finally, I would be remiss if I did not clearly state that I do not recommend using the compensation system as a way of “culling” poor performing employees. This “slow starvation” method of human resource management is time consuming, expensive, and leaves poor performers in place far too long. However, slowing or freezing the pay of an employee who is not meeting expectations may spur them to make significant improvements or it may cause them to seek employment elsewhere in places that do not take performance into consideration to the degree that Hillsborough will. Compensation should be considered one tool in the effort to improve the entire range of human capital at the central administration, but not “the” tool.

***A Model Plan***

The following is a performance pay system which determines the annual raises for the Central Administrative staff as well as the Superintendent. This plan should be considered a “model” that the Board may adjust. Further, a continuous approach to learning and improving this model should be adopted along with this change in approach to compensation. An example of this model plan is presented in Appendix C.

The proposed model performance pay system consists of 3 major elements:

1. **Professional Learning Goals** – 1 to 4 annual goals established for each individual. The number and attributes of these goals should be determined collaboratively by the Supervisor (or Board) and the employee. Goals might include such items as finishing an advanced degree, gaining a valuable certification, earning an award from an outside entity, mastering a skill or knowledge important to the organization, presenting at state or national conferences, or accomplishing some personal goal. All of these goals should be, first and foremost, strategically important to the organization – this is about improving the employee to the extent that it advances the organization.

The number of goals determines the calculation in the salary increase calculation for a total increase from this component up to 1% of current salary. For example: 4 goals earn .25% each, 3 goals earn .33% each, and so on. Goals should be structured initially to be measurable and be able to be evaluated in a “met/not met” sense. The professional judgment of the evaluator along with some third party oversight should be used to determine if the goal was met or not.

1. **Individual Evaluation** - Once a valid and reliable evaluation system is in place that honestly and effectively measures the various levels of performance (from unacceptable, to professional, to exceptional with points in between) the evaluation can be used to determine a portion of the employee’s raise. An unacceptable determination might result in no increase; Needs Improvement earns 1%; Professional earns 2%; High Performing earns 3%; and Exceptional earns 4%. Thus, this component accounts for 0-4% of the employee’s annual raise.

As was mentioned previously, the evaluations should be linked to the district’s strategic plan. Copies of the strategic plan and a sample evaluation document are provided in Appendices A and B, respectively.

1. **Student Assessment Results –** Value-added results for the district in grades 3-10 for reading and math can be used to determine the relative assessment progress of the district and the Central Administration can have their salaries increased according to these results. Value-added results typically are available at the student, teacher, school, and per test levels. The results are typically classified into “Below” expectations of growth, “Not Distinguishably Different” from expectations of growth, and “Above” expectations of growth. If the district looked at Reading and Math results in grades 3-10, that would be a total of 16 assessments. For each assessment resulting in an “Above” aggregate scoring the employee earns a .125% increase. For each assessment resulting in a “NDD” aggregate scoring the employee earns a .0626% increase. For each assessment resulting a “Below” aggregate scoring, the employee earns nothing. This component accounts for 0-2% of the employee’s annual raise.

***CONCLUSION***

The analysis and plan presented in this document are intended to provide Hillsborough Township Public Schools with an overview of the strategic steps the district needs to take to undertake a performance-based compensation system as well as provide an example of how that plan might work. While this analysis and model plan are intended to be authentic, and meaningful information for Hillsborough, much of the hard work in this change is still to be done.

From the beginning of this project, I was clear with the district and the Board that it was my fundamental belief that changing a compensation system cannot act as a stand-alone reform. It must be coupled with equally transformative changes in student data systems, evaluation systems, professional development systems, and a clarification of the strategic direction of the organization and the expectations for employees. This report is the first step in that process of change.

Still ahead, Hillsborough should review these recommendations and consider how they can be adopted, considering that these are significant and meaningful changes. It will be up to the people at Hillsborough to now see that these recommendations are indeed acted on and a new framework for compensation and accountability emerges.

A constant gravity in this type of change is the status quo. Inaction or a half-hearted implementation will result in the district quickly reverting to the status quo because it is “easier.” Frequently, the ambiguous nature and the persistent resistance to transformative change prevail, and we are left with another failed effort and the same-old-same-old.

In light of the district’s recent change in Superintendents, there will be significant temptation and rationale to “change nothing.” I would argue that this shift in leadership presents an opportunity to “change everything.” If the district is satisfied with the way things have been, and the way business has been done, then keep doing what you have been doing. Alternatively, if you want to take some chances, experiment in ways few others are willing, and be willing to fail and learn from your mistakes, something very significant and likely “better” can emerge.

I absolutely commend the staff and the Board for this effort to date, but now the really hard work must begin.

Appendix A

**HILLSBOROUGH TOWNSHIP PUBLIC SCHOOL DISTRICT’S STRATEGIC PLAN**

**Approved September 21, 2009**

**MISSION STATEMENT:**

The Hillsborough Township Public School District is committed to providing a superior education for all students so they will lead us successfully and responsibly into the future.

**WE BELIEVE IN:**

* Serving the Hillsborough community by developing a strong academic foundation for our students and staff.
* Developing lifelong learners who employ problem solving and critical thinking skills.
* Building learning communities and raising social consciousness.
* Providing a rigorous education, in a fiscally responsible manner, that exceeds the guidelines set forth by the New Jersey Core Curriculum Content Standards.

**PRIORITIES:**

**Governance:**

* To enhance student achievement.
  + Employ the use of critical thinking, problem solving, and life skills in the learning process.
* To develop a multicultural curriculum.
  + Prepare students to compete in an ever-changing global landscape.
  + Foster respect and appreciation for others by infusing ethics and integrity into district curricula.
* To engage the local community as educational partners.
  + Increase dialogue with community members through a variety of communication alternatives.
  + Develop relationships with higher education institutions and corporations for enhanced educational opportunities.

**Operations:**

* To enhance District safety procedures, training, and technology.
  + Develop and implement District procedures and trainings for school safety and security.
  + Consolidate District security systems into one integrated system.
* To enhance and upgrade facilities.
  + Assess the long range facility plan annually based on facility inspections and need.
  + Create a learning atmosphere that is safe and environmentally comfortable for teachers and students.
* To explore green building concepts.
  + Evaluate environmentally friendly upgrades for future facility projects.
* To preserve and enhance technology.
  + Review hardware and software periodically for relevance and enhancement.
  + Examine the opportunities for and feasibility of technology enhancements in the district.

**Fiscal:**

* To ensure that the quality of education the District provides remains excellent, while maintaining fiscal sustainability.
  + Develop long-term financial forecasts in all NJQSAC areas.
* To explore alternative funding opportunities to supplement the school budget from the tax levy.
  + Identify and apply for eligible federal, State, county, charitable, and private sector grants.
* To educate the community about the budget process in a clear and timely manner.
  + Develop a District wide communication plan to disseminate budgetary information.
* To determine the most cost effective strategies for providing extra curricular programs that meet the needs of all students.
  + Annually review extra curricular programs for participation and relevance.
* To leverage the power of technology as a tool to seek opportunities for cost reduction.
  + Identify and evaluate technology used in educational institutions that result in more efficient use of monetary resources.

**Curriculum and Instruction:**

* To develop and implement comprehensive and rigorous academic programs.
  + Develop critical thinking and problem solving skills in our students.
  + Employ curricula relevant to and competitive in a global 21st century world.
  + Provide purposeful and student centered learning experiences.
* To build a professional development culture.
  + Provide ongoing training, support and resources for all District staff.
  + Educate staff to understand and successfully implement District programs and initiatives.
* To utilize a data-driven assessment system.
  + Focus on desired learner outcomes and curricular improvements.
  + Align with best practices and the New Jersey Core Curriculum Content Standards.
* To infuse our schools with technology.
  + Enhance instruction, assessment, and mastery of curriculum content through the use of technology.
  + Create a balanced and consistent implementation and infusion of technology at all instructional levels.
  + Facilitate communication and collaboration among students, teachers, and parents.

**Personnel:**

* To hire and retain highly qualified individuals.
  + Engage in recruitment strategies that provide a diverse field of applicants for staff vacancies.
* To cultivate a staff of skilled communicators.
  + Create an environment in which information and knowledge are clearly articulated through various methods.
* To promote instructional expertise among our teaching faculty.
  + Implement differentiation of instruction in an environment responsive to the diversity of learners.
  + Provide access to relevant and progressive professional development resources.
  + Foster an environment of life long learning for staff, including mentoring of novice teachers and ongoing opportunities for all staff to increase their knowledge in their fields of study.
  + Establish professional learning communities that engender a collaborative and nurturing environment.
* To provide universal access to technology. 
  + Provide efficient and effective use of technology resources for staff.

Appendix B

Sample Evaluation Document & Professional Development Plan – Assistant Superintendent for Human Resources

**Process:** This evaluation is an annual, summative performance measure. It should be considered a subjective judgment of the employee’s performance, through the guiding lens of the rubrics and criteria provided. The evaluation process should include three distinct parts:

1. *Pre-Evaluation:* This should occur early in the school year or in summer. At this time, Professional Learning Goals should be set and Performance Indicators lined up with the strategic plan. Timelines for the next steps in the evaluation process should also be established at this meeting.
2. *Mid-Year Check-In Evaluation:* Approximately December or January, a mid-year meeting should be held between the evaluator(s) and the evaluatee. At this meeting, both the evaluator(s) and the evaluatee will review the progress on Professional Learning Goals and score the Performance Indicators. Both the scores for the evaluator(s) and the self-scores for the evaluatee are for coaching purposes and not considered the final score.
3. *Summative Evaluation:* At the end of the school year or in early summer, the evaluator(s) and the evaluatee should meet where the evaluator(s) provides the final scores and post-conferences the performance of the employee across the year. These final scores are the professional and informed judgments of the evaluator(s) and are not subject to grievance or dispute. Final scores shall be reviewed by the Board (in the case of the Superintendent’s review of central administration) and the Board shall use either a consensus or averaging model in determining the Superintendent’s progress and scores.

**Professional Learning Goals (1-4 Annually):** These goals and their criteria should be established in the Pre-Evaluation meeting annually. These goals should line up with the strategic direction of the organization, and consider its current needs and future plans. These goals should be challenging and simultaneously within reasonable reach for the employee. While these goals should be developed collaboratively, the ultimate decision on their inclusion and the ultimate decision on the criteria belong to the evaluator(s).

|  |  |
| --- | --- |
| Professional Learning Goals | |
| 1. The Assistant Superintendent for Human Resources will earn his Doctorate in Educational Leadership from Seton Hall University. | Success Criteria: The Assistant Superintendent will provide, at his final evaluation post-conference, documentation that the Doctorate has been conferred by the university. |
| 1. The Assistant Superintendent for Human Resources will earn his Society of Human Resource Management Certification. | Success Criteria: The Assistant Superintendent will provide, at his final evaluation post-conference, documentation that SHRM has conferred this credential. |
| 1. The Assistant Superintendent for Human Resources shall present at a state or regional (multi-state) conference on the subject of using value-added assessment results to make human capital decisions. | Success Criteria: The Assistant Superintendent will provide, at his final evaluation post-conference, an agenda from the conference he presented at listing his name as a presenter with the appropriate subject and provide presentation materials (PowerPoint, hand-outs, etc.) from that meeting. |
| 1. Not used | Success Criteria: Not used |

**Performance Rubric:** The following Rubric should be applied to each Performance Indicator. This Rubric should not be considered a “checklist,” but instead a “guide” or a “lens” to inform the professional judgment of the evaluator(s).

|  |  |  |
| --- | --- | --- |
| Performance Rubric | | |
| Score | Descriptor | Performance Criteria |
| 5 | Exceptional | * Considered an “elite” talent in this area. * Effectively self-manages and directs. * Quality is invariably exceptional. * Timeliness is invariably punctual or ahead of schedule. * Reaches near-perfect model performance in this area. |
| 4 | High Performing | * Generally exceeds basic expectations of performance. * Minimal supervision or direction needed. * Exceeds basic expectations of quality. * Exceeds basic expectations of timeliness. * Exceeds basic expectations in meeting performance indicator. |
| 3 | Professional | * Generally professional, or expected, performance. * Moderate or “typical” supervision needed. * Meets basic expectations of quality. * Meets basic expectations of timeliness. * Meets basic expectations in meeting performance indicator. |
| 2 | Needs Improvement | * Generally below expectations of professional performance. * Frequent supervision and correction needed. * Fails to meet basic expectations of quality. * Fails to meet basic expectations of timeliness. * Performance on this indicator needs improvement. |
| 1 | Unacceptable | * Intolerable performance. * Micromanagement necessary. * Poor quality. * Failure to meet and/or disregard of timelines. * Performance on this indicator is not acceptable. |

**Performance Indicators:** The following Performance Indicators are drawn from the district’s strategic plan, or are added as additional indicators the district feels are critical and important. These indicators should shift and change as the direction and strategic plan for the organization changes.

Professional Expectation Descriptions are details of what basic expectations for each of these areas entails. What’s listed should be what the employee is expected to do if they are “doing their job” at a professional level.

Space is also provided for a score on each indicator using the Rubric described above. The overall “score” for the employee’s evaluation should be an average for these indicators. They can also be weighted.

|  |  |  |
| --- | --- | --- |
| Performance Indicators | | |
| Indicator | Professional Expectation Description | Score |
| 1. Enhance multiculturalism. | From the Governance area of the Strategic Plan. This indicator looks at the Asst. Superintendent’s ability to bring in a multi-cultural work-force and the ability to improve “cultural competence” including knowledge and sensitivity to other cultures throughout the organization. |  |
| 1. Engage local community as partners. | From the Governance area of the Strategic Plan. This indicator looks at the ability of the Asst. Superintendent to engage the local resources in efforts to improve the district. These can be local businesses, other local boards, other local governments, other non-profits, etc. Partnerships and synergies should emerge. |  |
| 1. Hire qualified individuals. | From the Personnel area of the Strategic Plan. This indicator looks at the Assistant Superintendent’s ability to attract sufficient numbers of qualified applicants for openings, particularly in hard to fill areas. It is expected that there will be at a minimum 10 applications per teaching opening in the district including high needs areas. |  |
| 1. Retain qualified individuals. | From the Personnel area of the Strategic Plan. Staff voluntary resignations of teachers who score in the “Above” category using the value-added assessment analysis method shall be retained at over 90%, excluding voluntary retirements. Principals shall identify a list of “top performers” in their buildings and staff on this list shall be retained at over 90%, excluding voluntary retirements. |  |
| 1. Cultivate a staff of skilled communicators. | From the Personnel area of the Strategic Plan. The Assistant Superintendent shall provide trainings and resources to staff on giving effective presentations and effectively engaging students in learning. Staff feedback from these trainings shall be collected, analyzed, and used in the scoring on this indicator. |  |
| 1. Promote instructional expertise. | From the Personnel area of the Strategic Plan. The Assistant Superintendent shall collaborate with the Assistant Superintendent for Curriculum & Instruction in designing effective staff trainings on Response to Intervention, Positive Behavioral Supports, and Effective use of Technology in Instruction. Staff feedback from these trainings shall be collected, analyzed, and used in the scoring on this indicator. |  |
| 1. Provide universal access to technology. | From the Personnel area of the Strategic Plan. The Assistant Superintendent shall ensure that all buildings have high speed internet access and open access to either laptop computers or computer labs. The Assistant Superintendent shall secure grant funds to augment the district’s regular technology allocation. |  |
| 1. Dependability/Reliability | The Assistant Superintendent can be counted on to be where needed and on time. Mistakes are minimal and are not repeated. |  |
| 1. Customer Service | The Assistant Superintendent works with the staff (inclusive of support, certified, and administration) to get people the help they need in an engaging, approachable, and assistance-oriented manner. |  |
| 1. Organizational Citizenship/Teamwork | The Assistant Superintendent is connected to the moral purpose of the organization. Makes decisions based on what’s best for the organization and others ahead of own interest. Works in collaborative teams. Values and respects others in the organization. Champions the organization. |  |
| 1. Ongoing Professional Learning | The Assistant Superintendent stays up to date and current on thinking around human resource management, educational policy, instructional approaches, and organizational research. Has a commitment to being knowledgeable in his specific area of expertise as well as connected area within the district. |  |

The overall score for the employee can be a straight average of the scores on these indicators, or weighted by different areas if it is determined some are more important than others. Determining the employee’s raise based on the final and overall score could be placed on the following criterion referenced scale:

* 1-1.99= Unacceptable
* 2-2.99= Needs Improvement
* 3-3.99= Professional
* 4-4.49= High Performing
* 4.50-5= Exceptional

**Professional Learning Plan:** As this evaluation is developed and customized to each employee, so should an accompanying Professional Learning Plan that serves to provide targeted supports to help the employee meet his/her goals and possibly address any deficiencies that have been identified previously.

|  |  |  |
| --- | --- | --- |
| Professional Learning Plan | | |
| Goal | Indicator | Rationale |
| 1. The Assistant Superintendent will attend a national conference on value-added assessment and will spend 2 days working with a consultant from the district’s value-added analysis company to better understand the capabilities and limitations of the approach. | PLG 3 | The Assistant Superintendent needs to learn and understand this method in order to be able to explain it to people and effectively use it in making strategic human resource decisions. Also, PLG 3 indicates a presentation at a regional or national conference. |
| 1. The Assistant Superintendent will attend a conference on multi-culturalism or cultural competence and will work with a specialized contractor in developing strategies for improving these areas within the district. | PI 1 | The Assistant Superintendent must acquire specialized knowledge in the area of multi-culturalism in order to serve as a resource in this area for the district. |
| 1. The Assistant Superintendent will join a local Toastmasters group for the next year to learn effective presentation, communication, and speech giving skills. | PI 5 | The Assistant Superintendent must learn the fundamental aspects of effective large group presentation. While the A.S. has a mastery of interpersonal and instructional communication skills, this is an area where new knowledge could improve performance. |

Appendix C

Sample Evaluation Document & Professional Development Plan – Superintendent

**Process:** This evaluation is an annual, summative performance measure. It should be considered a subjective judgment of the employee’s performance, through the guiding lens of the rubrics and criteria provided. The evaluation process should include three distinct parts:

1. *Pre-Evaluation:* This should occur early in the school year or in summer. At this time, Professional Learning Goals should be set and Performance Indicators lined up with the strategic plan. Timelines for the next steps in the evaluation process should also be established at this meeting.
2. *Mid-Year Check-In Evaluation:* Approximately December or January, a mid-year meeting should be held between the evaluator(s) and the evaluatee. At this meeting, both the evaluator(s) and the evaluatee will review the progress on Professional Learning Goals and score the Performance Indicators. Both the scores for the evaluator(s) and the self-scores for the evaluatee are for coaching purposes and not considered the final score.
3. *Summative Evaluation:* At the end of the school year or in early summer, the evaluator(s) and the evaluatee should meet where the evaluator(s) provides the final scores and post-conferences the performance of the employee across the year. These final scores are the professional and informed judgments of the evaluator(s) and are not subject to grievance or dispute. Final scores shall be reviewed by the Board (in the case of the Superintendent’s review of central administration) and the Board shall use either a consensus or averaging model in determining the Superintendent’s progress and scores.

**Professional Learning Goals (1-4 Annually):** These goals and their criteria should be established in the Pre-Evaluation meeting annually. These goals should line up with the strategic direction of the organization, and consider its current needs and future plans. These goals should be challenging and simultaneously within reasonable reach for the employee. While these goals should be developed collaboratively, the ultimate decision on their inclusion and the ultimate decision on the criteria belong to the evaluator(s).

|  |  |
| --- | --- |
| Professional Learning Goals | |
| 1. The Superintendent will attend a national conference on collaboration between PreK-12 education. | Success Criteria: The Superintendent will attend such a conference and report back to the Board on this meeting with a detailed plan for improving collaboration with Higher Education. |
| 1. The Superintendent will attend a training on Professional Learning Communities from a nationally renowned expert in this area. | Success Criteria: The Superintendent will attend such a conference and report back to the Board on this meeting with a detailed plan for implementing PLCs in for the next school year. |
| 1. The Superintendent will hire and collaborate with an expert in “character” education programs. | Success Criteria: The Superintendent will seek out and contract with this national expert, will meet with this person and develop a comprehensive “character education” program for the district to be implemented next year. |
| 1. Not used | Success Criteria: Not used. |

**Performance Rubric:** The following Rubric should be applied to each Performance Indicator. This Rubric should not be considered a “checklist,” but instead a “guide” or a “lens” to inform the professional judgment of the evaluator(s).

|  |  |  |
| --- | --- | --- |
| Performance Rubric | | |
| Score | Descriptor | Performance Criteria |
| 5 | Exceptional | * Considered an “elite” talent in this area. * Effectively self-manages and directs. * Quality is invariably exceptional. * Timeliness is invariably punctual or ahead of schedule. * Reaches near-perfect model performance in this area. |
| 4 | High Performing | * Generally exceeds basic expectations of performance. * Minimal supervision or direction needed. * Exceeds basic expectations of quality. * Exceeds basic expectations of timeliness. * Exceeds basic expectations in meeting performance indicator. |
| 3 | Professional | * Generally professional, or expected, performance. * Moderate or “typical” supervision needed. * Meets basic expectations of quality. * Meets basic expectations of timeliness. * Meets basic expectations in meeting performance indicator. |
| 2 | Needs Improvement | * Generally below expectations of professional performance. * Frequent supervision and correction needed. * Fails to meet basic expectations of quality. * Fails to meet basic expectations of timeliness. * Performance on this indicator needs improvement. |
| 1 | Unacceptable | * Intolerable performance. * Micromanagement necessary. * Poor quality. * Failure to meet and/or disregard of timelines. * Performance on this indicator is not acceptable. |

**Performance Indicators:** The following Performance Indicators are drawn from the district’s strategic plan, or are added as additional indicators the district feels are critical and important. These indicators should shift and change as the direction and strategic plan for the organization changes.

Professional Expectation Descriptions are details of what basic expectations for each of these areas entails. What’s listed should be what the employee is expected to do if they are “doing their job” at a professional level.

Space is also provided for a score on each indicator using the Rubric described above. The overall “score” for the employee’s evaluation should be an average for these indicators. They can also be weighted.

|  |  |  |
| --- | --- | --- |
| Performance Indicators | | |
| Indicator | Professional Expectation Description | Score |
| 1. Develop strong academic foundations for students and staff. | From the Beliefs area of the Strategic Plan. This indicator is concerned with the district’s focus on core academic work and the ability to focus students and staff on core academic disciplines. The organization should be aware and focused on state curriculum standards and outcome measurements of these standards. Staff surveys and focus groups shall be used to collect this information. |  |
| 1. Develop life-long learners who employ problem-solving and critical thinking skills. | From the Beliefs area of the Strategic Plan. This indicator focuses on the Superintendent’s ability to exit students who desire to continue their education throughout their lives, find creative and proactive solutions to problems, and can critically evaluate ideas, theories, and different approaches. Staff surveys and presentations of student work will be used to evaluate this area. |  |
| 1. Build learning communities and raise social consciousness. | From the Beliefs area of the Strategic Plan. This indicator looks at the ability of the Superintendent to create meaningful “professional learning communities” for staff, and active learning communities focused on education for the community at large and the student body. Further, this indicator looks to the Superintendent to increase the understanding of other peoples’ and their struggles both within the community, the state, the nation, and the world. The Board will evaluate the function of PLC’s in schools via surveys and focus groups and will be involved in and report on the existence of community learning communities and social consciousness. |  |
| 1. Provide a rigorous education, in a fiscally responsible manner, that exceeds the guidelines set forth by the New Jersey Core Curriculum Content Standards. | From the Beliefs area of the Strategic Plan. This indicator holds that the graduation requirements of Hillsborough shall exceed those guidelines set by the state of New Jersey and that the district shall operate in a fiscally responsible manner. Information on this indicator shall be collected through a review of graduation requirements in comparison with state guidelines and a review of the district’s annual financial audit. |  |
| 1. Prepare students to compete in a global economy and have an appreciation for others, infusing ethics and integrity into the curriculum. | From the Governance area of the Strategic Plan. This indicator looks at the ability of the Superintendent to infuse a knowledge of the “flat” earth on which we live and the creation of “character” education programs for our schools. Information on this indicator will be gathered from student reports on globalism, the existence of a strategy to enhance global education, and program evaluation of the character education program. |  |
| 1. Increase the dialogue with other community members through a variety of channels and develop relationships with higher education and corporations to enhance student opportunities. | From the Governance area of the Strategic Plan. This indicator looks at the ability of the Superintendent to engage in meaningful collaborations with other key community members and the establishment of varied and useful communication techniques. Further, the Superintendent should develop personal relationships with representatives of higher education and corporations and bring innovative programs and sponsorships to the district. This indicator will be measured using personal discussions with community members, and the Board’s evaluation of the existence of higher education and corporate connections. |  |
| 1. Dependability/Reliability | The Superintendent can be counted on to be where needed and on time. Mistakes are minimal and are not repeated. |  |
| 1. Customer Service | The Superintendent works closely with the Board of Education to keep them informed of current happenings and expected issues with the district in a proactive and professional manner. The Superintendent is responsive to staff and the community in providing communications and, where appropriate, direct customer service. |  |
| 1. Organizational Citizenship/Teamwork | The Superintendent is connected to the moral purpose of the organization. Makes decisions based on what’s best for the organization and others ahead of own interest. Works in collaborative teams. Values and respects others in the organization. Champions the organization within and without. |  |
| 1. Ongoing Professional Learning | The Superintendent stays up to date and current on thinking around Board relations, state and national educational policy, instructional approaches, and organizational management. Is self-directed in learning what is necessary to run the organization. |  |

The overall score for the employee can be a straight average of the scores on these indicators, or weighted by different areas if it is determined some are more important than others. Determining the employee’s raise based on the final and overall score could be placed on the following criterion referenced scale:

* 1-1.99= Unacceptable
* 2-2.99= Needs Improvement
* 3-3.99= Professional
* 4-4.49= High Performing
* 4.50-5= Exceptional

**Professional Learning Plan:** As this evaluation is developed and customized to each employee, so should an accompanying Professional Learning Plan that serves to provide targeted supports to help the employee meet his/her goals and possibly address any deficiencies that have been identified previously.

|  |  |  |
| --- | --- | --- |
| Professional Learning Plan | | |
| Goal | Indicator | Rationale |
| 1. The Superintendent will attend a national conference on collaboration between PreK-12 education. | PL 1 | The Superintendent needs to establish a basis for communications and make the necessary personal introductions to fulfill this aspect of the Strategic Plan. |
| 1. The Superintendent will attend a training on Professional Learning Communities from a nationally renowned expert in this area. | PI 2 | The Superintendent must acquire a deep understanding of PLCs so as to be able to manage the technical and adaptive challenges of implementing this approach. |
| 1. The Superintendent will hire and collaborate with an expert in “character” education programs. | PI 3 | The Superintendent needs outside expertise in order to effectively develop this program and to be able to enact it successfully and make appropriate adjustments and changes to it going forward. |

Appendix D

**An Example of the Model Performance Pay Plan**

The performance pay system determines the annual raises for the Central Administrative staff as well as the Superintendent.

The performance pay system consists of 3 major elements

1. **Professional Learning Goals** – 1 to 4 annual goals established for each individual. The number and attributes of these goals should be determined collaboratively by the Supervisor and the employee. Goals might include such items as finishing an advanced degree, gaining a valuable certification, earning an award from an outside entity, mastering a skill or knowledge important to the organization, or presenting at state or national conferences. The number of goals determines the calculation where 4 goals earn .25% each, 3 goals earn .33% each, and so on. Goals should be structured initially to be measurable and be able to be evaluated in a “met/not met” sense. The professional judgment of the evaluator along with some third party oversight should be used to determine if the goal was met or not. This component accounts for a total of between 0-1% of the annual raise.
2. **Individual Evaluation** - Once a valid and reliable evaluation system is in place that honestly and effectively measures the various levels of performance (from unacceptable, to professional, to exceptional with points in between) the evaluation can be used to determine a portion of the employee’s raise. An unacceptable determination might result in no increase; Needs Improvement earns 1%; Professional earns 2%; High Performing earns 3%; and Exceptional earns 4%. Thus, this component accounts for 0-4% of the employee’s annual raise.
3. **Student Assessment Results –** Value-added results for the district in grades 3-10 for reading and math can be used to determine the relative assessment progress of the district and the Central Administration can have their salaries increased according to these results. Value-added results typically are available at the student, teacher, school, and per test levels. The results are typically classified into “Below” expectations of growth, “Not Distinguishably Different” from expectations of growth, and “Above” expectations of growth. If the district looked at Reading and Math results in grades 3-10, that would be a total of 16 assessments. For each assessment resulting in an “Above” aggregate scoring the employee earns a .125% increase. For each assessment resulting in a “NDD” aggregate scoring the employee earns a .0626% increase. For each assessment resulting a “Below” aggregate scoring, the employee earns nothing. This component accounts for 0-2% of the employee’s annual raise.

Keeping with the previous example from Appendix B, let’s take the case of the district’s Assistant Superintendent for Human Resources and map out how this might work in action.

**Professional Learning Goals:** Performance Learning Goals can account for an up to 1% raise.

At Scott’s pre-evaluation performance review (before the school year begins), he and Ed determine 3 goals for Scott in the upcoming school year. These are:

1. Complete his doctorate from Seton Hall University. This means “complete” not ABD, or some other “almost made it” level.
2. Earn his Society of Human Resource Managers certification. This certification requires completing numerous professional development courses and is considered the standard HR professionals should aspire to.
3. Present at a state or regional conference on using Value-Added data in a performance pay system.

These areas become Scott’s “Professional Learning Goals” in his evaluation.

At the mid-year evaluation, both Scott and Ed sit down and review Scott’s progress on these areas.

At the end of the 2010-11 school year, Ed and Scott sit down again in the annual summative evaluation and review these goals. Let’s say Scott did finish his degree from Seton Hall and did manage to do a presentation at a regional conference. However, he did not get through his SHRM certification process. So, Scott earned .33% for each goal he completed totaling a .66% raise for him for the next year.

**Evaluation**

Through the new evaluation system established by the district, Ed reviews Scott’s performance and gives him an overall rating in the “Professional” category which earns him a 2% increase. The final summative evaluation is reviewed by the Board and they concur.

**Student Achievement**

Of the district’s 16 tests in Reading and Math, let’s say the breakdown of the value-added results at the end of the 2010-11 school year turns out like this…

|  |  |  |  |
| --- | --- | --- | --- |
| Grade | Subject | Result | Increase |
| 3 | Reading | NDD | 0.063% |
| 3 | Math | Above | 0.125% |
| 4 | Reading | Above | 0.125% |
| 4 | Math | Above | 0.125% |
| 5 | Reading | NDD | 0.063% |
| 5 | Math | Above | 0.125% |
| 6 | Reading | NDD | 0.063% |
| 6 | Math | NDD | 0.063% |
| 7 | Reading | Below | 0% |
| 7 | Math | Above | 0.125% |
| 8 | Reading | Above | 0.125% |
| 8 | Math | Below | 0% |
| 9 | Reading | Above | 0.125% |
| 9 | Math | Below | 0% |
| 10 | Reading | NDD | 0.063% |
| 10 | Math | NDD | 0.063% |
|  | SUM | TOTAL | 1.25% |

These assessment results would earn Scott another 1.25% in raise for the next year. This sort of index model can be adapted to accommodate for different tests or analysis methods. So long as the results are scaled to yield a result between 0-2%, any combination of tests or methods could be incorporated.

**Putting it All Together**

In sum, Scott earns…

|  |  |  |
| --- | --- | --- |
|  | Percent | Dollar Amount |
| Professional Learning | 0.66% | $858.00 |
| Evaluation | 2.00% | $2,600.00 |
| Student Achievement | 1.25% | $1,625.78 |
| Total | 3.91% | $5,083.78 |
|  |  |  |
| Old Salary | $130,000 |  |
| New Salary | $135,083.78 |  |